

**BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COLUMBIA, SOUTH CAROLINA**

HEARING #11981

MARCH 21, 2022

9:00 A.M.

DOCKET NO. 2021-324-WS:

*KIAWAH ISLAND UTILITY, INC. – Application for Approval of
Proposed Changes in Rates, Charges, Classifications and/or
Regulations for Water and Sewer Service*

TRANSCRIPT OF TESTIMONY

VOLUME 1 OF ____

AND PROCEEDINGS

HEARING BEFORE: Justin T. WILLIAMS, CHAIRMAN; Florence P. BELSER, VICE CHAIR; *and* COMMISSIONERS Carolyn L. ‘Carolee’ WILLIAMS^[A/V], Stephen M. ‘Mike’ CASTON^[A/V], Headen B. THOMAS^[A/V], *and* Delton W. POWERS, JR.^[A/V]

ADVISOR TO COMMISSION: F. David Butler
Special Counsel

STAFF: Jocelyn Boyd, Chief Clerk/Executive Director; Jo Anne Wessinger Hill, General Counsel; Sandra V. Moser, Esq., and Elise Wilson, Legal Staff; Rob Bockman, Sonya Hancock, Patricia Stephens, and Virginia ‘Ginger’ Crocker, Clerk’s Staff; Jackie Thomas, Information Technology Staff; Gwen Richardson and Melissa Purvis, Livestream Technical Staff; Officer Joe Biggs, Security Staff; and Jo Elizabeth M. Wheat, CVR-CM/M|GNSC, Court Reporter

APPEARANCES:

CHARLES L.A. TERRENTI, ESQUIRE^[A/V], representing
KIAWAH ISLAND UTILITY, INC., APPLICANT

JOHN J. PRINGLE, JR., ESQUIRE^[A/V], representing
the TOWN OF KIAWAH ISLAND, INTERVENOR

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

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APPEARANCES:

ROGER P. HALL, ESQUIRE^[A/V], representing the SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS, **INTERVENOR**

ALEXANDER W. KNOWLES, ESQUIRE and ***DONNA L. RHANEY, ESQUIRE***, representing the SOUTH CAROLINA OFFICE OF REGULATORY STAFF

[A/V] AUDIO- AND/OR VIDEOCONFERENCED PARTICIPATION
[EI] = ELECTRONIC INTERFERENCE

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P R O C E E D I N G S

CHAIRMAN J. WILLIAMS: Good morning, ladies and gentlemen. Welcome to the Public Service Commission of South Carolina. Today is Monday, March 21st; it's 9 a.m.

Before we get started with today's public hearing, please join me in a brief moment of silence.

[Brief pause]

All right. Thank you, very much. [EI]

All right. We're going to take roll of the Commissioners. Present in the hearing room we have Commissioner – [EI] – Commissioner J. Williams and Vice Chair Belser. Joining us virtually we have Commissioners Caston, C. Williams, Thomas, Powers, and – do I see Commissioner Ervin?

MR. BUTLER: He's on annual leave.

CHAIRMAN J. WILLIAMS: Okay. Commissioner Ervin is on annual leave and not participating with us this morning.

All right. Now that we have all Commissioners who are present, let's take appearances from the parties. Who is here for the utility?

MR. TERRENI^[A/V]: Mr. Chairman, Charlie Terreni. I'm here for Kiawah Island Utility.

1 **CHAIRMAN J. WILLIAMS:** All right. Thank you,
2 Mr. Terreni.

3 We're going to move to the Intervenor's.
4 Office of Consumer Affairs – or I should say
5 Department of Consumer Affairs. Excuse me.

6 **MR. HALL**^[A/V]: Yes, good morning, Mr. Chair.
7 Roger Hall, on behalf of the Department. Thank
8 you.

9 **CHAIRMAN J. WILLIAMS:** Good to see you again,
10 Attorney Hall.

11 The Town of Kiawah Island.

12 **MR. PRINGLE**^[A/V]: Mr. Chairman and
13 Commissioners, Jack Pringle, for the Town of Kiawah
14 Island.

15 **CHAIRMAN J. WILLIAMS:** All right. Thank you,
16 Attorney Pringle.

17 And who do we have here for the Office of
18 Regulatory Staff?

19 **MR. KNOWLES:** Good morning, Mr. Chairman.
20 Alex Knowles and Donna Rhaney, on behalf of the
21 Office of Regulatory Staff.

22 **CHAIRMAN J. WILLIAMS:** All right. Attorney
23 Knowles and Attorney Rhaney are here with us in
24 person.

25 All right. I'm going to hand things over to

1 the Commission's Special Counsel, Attorney David
2 Butler. Attorney Butler?

3 **MR. BUTLER:** Yes, sir. Thank you, Mr.
4 Chairman. Good morning, Chairman and members of
5 the Commission, parties, and members of the public.
6 Thank you very much for being here, virtually, on
7 the phone, or in person. We want to thank everyone
8 for participating in today's public hearing.

9 This proceeding before the Public Service
10 Commission is in Docket No. 2021-324-WS. This
11 concerns the Application of Kiawah Island Utility,
12 Incorporated, for proposed changes in rates,
13 charges, classifications, and/or regulations for
14 water and sewer services provided to customers in
15 its assigned territory in the State of South
16 Carolina.

17 Before we begin, we do have a few preliminary
18 matters to go over. While we may be holding this
19 hearing virtually and by telephone, it's important
20 that this public hearing be treated as if we were
21 in a hearing room or courtroom. The Commission is
22 mandated by law to follow certain procedures. Only
23 those persons who've signed up will be able to
24 speak. The Commission won't hear from you unless
25 you signed up to testify.

1 If you're signed up to speak, you're
2 testifying as a witness about facts known to you,
3 related to Kiawah Island Utility, Incorporated.
4 You'll be placed under oath, telling everyone that
5 what you're saying is the truth as known to you.
6 Your statements must be under oath, in order to be
7 evidence in this case and considered by the
8 Commissioners. After you're called to speak,
9 please give your name and the name of the street
10 you live on, and your town. You do not need to
11 provide your house number at this time.

12 The transcript of this hearing will be
13 published and placed in the record, as required by
14 law, so that anyone can read it. If you will,
15 please confirm that you are a customer of Kiawah
16 Island Utility, Incorporated. Then you may proceed
17 with whatever you want to tell the Commission
18 through your testimony. Please speak clearly, so
19 that everyone can hear you, including the court
20 reporter.

21 After you're done speaking, please remain on
22 the line or remain in place for any clarifying
23 questions that the parties or the Commissioners
24 might have for you. Everyone who's signed up to
25 speak will be given the same time limit of three

1 minutes. We have a timer that will indicate when
2 your time is up. Please note that, if you provide
3 testimony during the hearing today, you cannot
4 provide testimony a second time in any other
5 hearings on this case.

6 The day hearing or merits hearing in this case
7 will begin at 10 a.m., on Monday, April 4, 2022,
8 and this is when the Commissioners will hear the
9 positions of the company, the South Carolina Office
10 of Regulatory Staff, the South Carolina Department
11 of Consumer Affairs, and the Town of Kiawah Island.
12 The April hearing is generally a hearing in which
13 various technical people will testify. It will
14 continue until all witnesses and final statements
15 or motions have been presented by all the parties.
16 The hearing is expected to continue at least three
17 or more days and will be held virtually. Anyone
18 can watch it through the Commissions website at
19 www.psc.sc.gov, and from there you can actually
20 click on the livestream tab to access that hearing.

21 And last and importantly, I have mentioned
22 that, if you are signed up to speak, you're a
23 witness testifying in this matter. I must let you
24 know that the Commissioners before you are what is
25 called a quasi-judicial body. In South Carolina,

1 this means they are judges in this rate case, and
2 they are subject to the rules of judicial conduct
3 and the laws passed by our General Assembly. And
4 just like if you were a witness called in a trial
5 at the county courthouse or when you were serving
6 as a juror, you cannot ask questions of the judge
7 and expect him or her to answer. The same applies
8 here. So, regardless if a Commissioner wants to
9 answer a question or clarify any matter of law, the
10 Commissioners simply cannot answer questions; they
11 are bound by the same judicial rules as a judge.

12 This is the public's opportunity to be heard
13 and to say what you want the Public Service
14 Commission to know concerning Kiawah Island
15 Utility's request for adjustments in its rates and
16 charges for water and sewer service.

17 And just to let you know, representatives from
18 Kiawah Island Utility are available to talk to
19 customers. Ms. Becky Dennis, the Director of
20 Operations for Kiawah, is available, and I'll give
21 you her phone number: In the office, it's 843-768-
22 0641. And I'll repeat that once: 843-768-0641.

23 In addition, representatives from the Office
24 of Regulatory Staff and South Carolina Department
25 of Consumer Affairs are also available Monday

1 through Friday, from 8:30 to 5 p.m., to talk with
2 customers of Kiawah Island Utility, as well. You
3 can call the Office of Regulatory Staff at 1-800-
4 922-1531. That's 1-800-922-1531. Or you can call
5 Mr. Roger Hall with the South Carolina Department
6 of Consumer Affairs at 803-734-4200. That's 803-
7 734-4200.

8 Attorneys for Kiawah Island Utility, the
9 Office of Regulatory Staff, the South Carolina
10 Department of Consumer Affairs, and the Town of
11 Kiawah Island are participating today, as well, and
12 they may have questions or provide the same
13 information again to you.

14 And, Mr. Chairman, I will now turn the hearing
15 back over to you. And as I understand it, some of
16 the parties may have comments about the hearing
17 today. And I thank you very much.

18 **CHAIRMAN J. WILLIAMS:** All right. Thank you,
19 Attorney Butler. Is there anything else before we
20 get started today?

21 **MR. KNOWLES:** Mr. Chairman, if I could, just
22 briefly.

23 **CHAIRMAN J. WILLIAMS:** Please.

24 **MR. KNOWLES:** Alex Knowles, on behalf of the
25 South Carolina Office of Regulatory Staff.

1 I just would briefly introduce the ORS. The
2 ORS is a State agency but it is completely separate
3 from the Public Service Commission. The ORS is
4 charged with representing the public interest and
5 making recommendations to the Commission regarding
6 the Application.

7 I'll just reiterate the number that Mr. Butler
8 provided for the ORS Consumer Services Department,
9 which is 1-800-922-1531.

10 Thank you-all for your attention and
11 participation at this hearing.

12 And, Mr. Chairman, I would ask that the
13 preregistration sheet be made a part of the record
14 in this case from this morning's hearing, and that
15 it be entered into the record. Thank you.

16 **CHAIRMAN J. WILLIAMS:** Thank you, Attorney
17 Knowles. The preregistration sheet will be marked
18 as Hearing Exhibit 1 and entered into the record as
19 Hearing Exhibit 1.

20 [WHEREUPON, Hearing Exhibit No. 1 was
21 marked and received in evidence.]

22 All right. If there's nothing else, we will
23 call our first witness.

24 **MR. BOCKMAN:** Good morning, Mr. Powelson. Can
25 you hear me?

1 **MR. POWELSON**^[A/V]: Yes, I can.

2 **MR. BOCKMAN**: Thank you, sir. Do you testify
3 that – excuse me. Do you affirm that what you're
4 about to testify is the truth, the whole truth, and
5 nothing but the truth?

6 **MR. POWELSON**^[A/V]: I do.

7 THEREUPON came,

8 **R O B E R T F . P O W E L S O N ,**
9 who, having been first duly affirmed, testified as follows:

10 **MR. BOCKMAN**: Thank you, sir. At this point,
11 you may tell the Commission your name; your
12 location, without revealing your full address, your
13 street and your town. And you may begin your
14 testimony; you have three minutes.

15 **WITNESS**^[A/V]: Thank you.

16 Good morning, Chairman Williams and fellow
17 Commissioners. My name is Robert Powelson, and I'm
18 a property owner on Kiawah Island, on Sea Forest
19 Drive.

20 I appreciate the opportunity to address the
21 Public Service Commission on this pending rate case
22 proceeding. Let me start by praising Kiawah
23 Utilities for their steadfast commitment to
24 sustainable water infrastructure investment on
25 Kiawah Island and the entire State of South

1 Carolina.

2 Kiawah Utilities, as you know, is committed to
3 making sure consumers have safe, reliable, and
4 affordable drinking water service. In my view,
5 this company does not cut corners and it operates
6 with a steadfast commitment to business ethics.

7 As a customer, my wife and I are proud to see
8 the company making smart investments in their
9 groundwater sourcing and working around the clock
10 to ensure that consumers on Kiawah Island and many
11 areas of the State have the highest quality
12 drinking water service that consistently meets and
13 exceeds the highest State and federal standards.
14 You know, as part of Kiawah Utility's commitment to
15 consumers and the environment, they've made
16 substantial investments in replacing aging
17 infrastructure. In fact, this past year, they
18 played a critical role in helping Kiawah and
19 Charleston County with hosting the 2021 PGA
20 Championship, which had a huge economic impact on
21 the region.

22 And I'd be remiss in not sharing this quick
23 story with the Commission: During COVID, my family
24 and I spent over 80 days on Kiawah Island as the
25 outbreak was hitting many parts of the country. As

1 a family, we made the prudent decision to stay put
2 and not to return to Pennsylvania. Our two sons
3 engaged in a virtual learning platform, while my
4 wife and I used laptops and cell phones to engage
5 with our employers. Let me just say: Never, never
6 have we felt more safe than being on Kiawah Island
7 and recognizing that Kiawah Utilities was there
8 providing us the day-to-day water service without
9 interruption. They never missed a beat. And my
10 family and I felt a strong peace of mind that our
11 water service was never going to be impacted or
12 compromised by the events of this pandemic.

13 I think it's important to mention that every
14 day Kiawah Island Utilities was there providing
15 safe, reliable drinking water service to our
16 community, and they've had a long track record for
17 environmental stewardship and safety excellence.
18 Kiawah Utilities, in my view, is dedicated to the
19 economic well-being of the communities and
20 businesses and the people of the great State of
21 South Carolina in which they serve, and I'm proud
22 to, as a consumer, ratepayer, support this
23 company's request for an increase and support their
24 ability to invest in the great State of South
25 Carolina. Thank you.

1 **CHAIRMAN J. WILLIAMS:** Thank you for taking
2 time to testify, sir.

3 Commissioners, any questions for this witness?

4 [No response]

5 Parties, any –

6 **COMMISSIONER CASTON**^[A/V]: Chairman Williams?

7 **CHAIRMAN J. WILLIAMS:** I'm sorry? Is that
8 Commissioner Caston?

9 **COMMISSIONER CASTON**^[A/V]: Yes, sir, it is.

10 **CHAIRMAN J. WILLIAMS:** Commissioner Caston,
11 you have the floor, sir.

12 **EXAMINATION**

13 **BY COMMISSIONER CASTON**^[A/V]:

14 **Q** It was – your last name, I didn't catch. Was that
15 Tollison? Tallison? What was that, again?

16 **A** It was Powelson.

17 **Q** Ah. Okay. So, if I understood you correctly, you are
18 in full support of the requested rate increase, and you
19 seem to be delighted with the service. Correct?

20 **A** That is correct, Commissioner. And I recognize, like
21 any utility – Berkeley Electric, Dominion Power – that
22 these utilities need to make investments to provide safe
23 and reliable service. There's no cutting corners. And,
24 by the way, this is the only public utility service we
25 ingest, so there's no room for error or playing around

1 the margins in terms of investment.

2 **Q** And you're a full-time resident now?

3 **A** I am not a full-time resident. But I am a property
4 owner and a ratepayer.

5 **Q** Okay. Thank you, sir. I appreciate it.

6 **A** Thank you.

7 **CHAIRMAN J. WILLIAMS:** Commissioners. Any
8 more questions for this witness?

9 **VICE CHAIR BELSER:** Mr. Chairman?

10 **CHAIRMAN J. WILLIAMS:** Vice Chair Belser.

11 **VICE CHAIR BELSER:** Thank you.

12 **EXAMINATION**

13 **BY VICE CHAIR BELSER:**

14 **Q** Good morning, Mr. Powelson. Thank you for your
15 testimony this morning. Can you hear me?

16 **A** Yes, ma'am. Thank you.

17 **Q** Mr. Powelson, you mentioned a record of environmental
18 stewardship. What do you base and what have you seen
19 that would lead you to make that statement?

20 **A** Yes, so, ma'am, you know, as I mentioned to you, during
21 COVID, when my family and I were uprooted – and I say
22 “uprooted” in a very positive way, being safe on
23 Kiawah – you know, every day when we were cooking and
24 obviously you know, just having basic drinking water
25 service, you know, there was never a concern about what

1 was coming out of our tap.

2 But, also, you know, at a macro level, I think it's
3 fair to say that the company has done a lot of good work
4 around making sure that there's reliable service by, you
5 know, making investments in their pipeline replacement,
6 advanced metering infrastructure, and, obviously, you
7 know, protecting watersheds as they're sourcing water
8 onto the island. I think those are things that I, as a
9 customer, have peace of mind in knowing, that when I pay
10 that bill, that, you know, what I'm getting at the end,
11 you know, at the tap, is safe and affordable and
12 reliable. And I think this company has clearly
13 demonstrated that track record.

14 **VICE CHAIR BELSER:** Thank you. We appreciate
15 your testimony this morning. I know it's early,
16 but thank you very much for your appearance.

17 That's all I have, Mr. Chairman.

18 **CHAIRMAN J. WILLIAMS:** Commissioners, any more
19 questions for this witness?

20 [No response]

21 Parties, questions for this witness?

22 **MR. KNOWLES:** Yes, sir, Mr. Chairman. Alex
23 Knowles. If it's appropriate for me to proceed at
24 this time.

25 **CHAIRMAN J. WILLIAMS:** Yes, sir. Attorney

Knowles, Office of Regulatory Staff.

MR. KNOWLES: Thank you.

CROSS EXAMINATION

BY MR. KNOWLES:

Q Good morning, Mr. Powelson.

A Good morning.

Q Mr. Powelson, you are the current president and CEO of the National Association of Water Companies, or NAWC; is that correct?

A That is correct, but I'm also a proud property owner in South Carolina.

Q Yes, sir. And KIU is a dues-paying member of the NAWC; is that correct?

A One of many.

Q The services that NAWC performs for members include lobbying and advocacy; is that correct?

A I'm here as a customer, sir, paying my monthly bill.

Q Yes –

A And I believe I have a First Amendment right as a customer that pays an electric or gas bill to present in front of this – and let me just reiterate I'm doing this on behalf of Robert and Lauren Powelson, at 4389 Sea Forest Drive, as a customer of this utility.

Q Yes, sir, absolutely. I understand that, and thank you for being here. I guess I'll just ask my question

again. Do the services that the NAWC performs for its members include lobbying and advocacy?

A In Washington, DC, we do advocacy work. But again, I want to reiterate, in the spirit of transparency, Robert and Lauren Powelson are presenting our views today as proud property owners at 4389 Sea Forest Drive, on Kiawah Island.

MR. KNOWLES: Yes, sir, fully understood. Thank you, very much, for your time and your patience answering my questions, Mr. Powelson.

CHAIRMAN J. WILLIAMS: Parties, any more questions for this witness?

MR. TERRENI^[A/V]: No, Mr. Chairman. We thank Mr. Powelson for his testimony.

CHAIRMAN J. WILLIAMS: Is that Attorney Terreni?

MR. TERRENI^[A/V]: Yes, sir.

CHAIRMAN J. WILLIAMS: Thank you, sir. Attorney Terreni, for the utility.

All right, ladies and gentlemen. If there are no further questions for Mr. Powelson, Mr. Powelson, you may step down from the witness stand and be excused. Thank you for taking your time to testify this morning.

WITNESS^[A/V]: Thank you, Chairman. Thank you,

1 fellow Commissioners.

2 [WHEREUPON, the witness was excused.]

3 **CHAIRMAN J. WILLIAMS:** All right, ladies and
4 gentlemen. Is there anything else we need to do
5 before we adjourn this hearing?

6 [No response]

7 Hearing nothing, we are adjourned.

8 [WHEREUPON, at 9:20 a.m., the hearing in
9 the above-entitled matter was adjourned,
10 to reconvene on April 4, 2022, at 10:00
11 a.m.]

C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, Notary Public in and for the State of South Carolina, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had and testimony adduced in a hearing held in the above-captioned matter before the Public Service Commission of South Carolina;

That the witnesses appearing during said hearing were affirmed as reflected heretofore to state the truth, the whole truth, and nothing but the truth;

IN WITNESS WHEREOF, I have hereunto set my hand and seal, on this the 21ST day of March, 2022.



Jo Elizabeth M. Wheat, CVR-CM/M-GNSC
Hearings Reporter
Public Service Commission of South Carolina

Notary Public in/for the State of
South Carolina.

My Commission Expires:
January 12, 2031